

Appl. No. : **09/312,028**
Filed : **May 14,1999**

In the Office Action, Claims 1, 3-10, 12-27, 29-41, 43 and 44 were rejected under 35 U.S.C. 103(a) as being unpatentable over Stein et al (US 5,826,241) in view of Boston (US 4,734,564). Claim 2 was rejected under 35 U.S.C. 103(a) as being unpatentable over Stein as modified by Boston and further in view of Huberman (US 5,826,244). Claims 11, 28 and 42 were rejected under 35 U.S.C. 103(a) as being unpatentable over Stein as modified by Boston and further in view of Deming (US 4,823,264).

Claims 1-55 are pending in the application. Claim 29 has been amended to correct a typographical error and new Dependent Claims 45-55 have been added.

February 19 Phone Interview

Subsequent to the December 21, 2001 Office Action, Applicants requested a phone interview with Examiner Felten, which was held on February 19, 2002. Applicants would like to thank Examiner Felten for the courtesy extended in the phone interview.

During the phone interview, Applicants pointed out that in the Office Action, the Examiner did not address the limitations “on each side of said transaction” with respect to independent Claims 1 and 31. Applicants also noted that none of the references relied upon by the Examiner disclose performing a risk management assessment for parties on each side of a two-sided transaction.

Examiner Felten mailed an Interview Summary on February 25, 2002. Applicants note that in the Interview Summary, Examiner Felten indicated:

“A clarification by Franco was made about the second element of claim 1 wherein the language ‘Performing risk management assessments for parties on each side of transaction...’ includes an [sic] risk management assessment on the seller’s side of the transaction.”

Applicants note that in the interview, performing a risk management assessment of a seller, in addition to a buyer, was only one example presented to illustrate the limitations of performing a risk management assessment for parties on each side of a two-sided transaction. Another example that was presented to illustrate these limitations was performing a risk management assessment of a payee, in addition to a payer.

As discussed in the interview, a payer (e.g. a buyer) in a transaction can benefit from a risk management assessment of a payee (e.g. a seller). In on-line auctions, for example, a risk assessment of a seller may identify the seller as having a history of fraudulent transactions.

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Accordingly, buyers in such auctions, who may know very little about the sellers, can be protected from potentially fraudulent transactions.

Discussion of the Cited Art

Stein discloses a payment system for enabling a first Internet user to make a payment to a second Internet user, typically for the purchase of an information product deliverable over the Internet. Stein does not disclose performing a risk management assessment.

Boston discloses incorporating risk assessment data in transaction cards, such as in the magnetic stripes of credit cards. The risk assessment data can be a multiplier for a transaction dollar limit above which additional authorization must be obtained. Typically, when a credit card holder attempts a transaction, the participating merchant uses the holder's credit card number to obtain an authorization for the transaction from an issuing bank. By incorporating risk assessment data into a card, the merchant can make a risk assessment determination "off-line" without obtaining prior approval for the transaction from the card issuer. If the "off-line" assessment falls beyond certain limits (e.g., a maximum dollar amount), a normal authorization can be sought from the card issuer. Boston is applicable primarily in the case of small dollar amount transactions, where it may not be worth the overhead of obtaining prior approval from a card issuer. Although Boston appears to disclose performing a risk assessment of the cardholder or purchaser, Boston does not disclose performing any risk assessment of the merchant.

Deming discloses an electronic funds transfer system that assures that funds to be electronically transferred are actually present before attempting a transfer. Deming does not disclose performing a risk management assessment. In Deming, by assuring or guaranteeing that funds are available to cover a transaction, all risk is avoided. Accordingly, the system of Deming does not have any need to perform and does not disclose performing a risk management assessment.

Huberman discloses a system and method for the auctioning of document services. Huberman does not disclose effecting funds transfers between parties or performing a risk management assessment.

Response to Rejections

Applicants will treat all of the cited references as prior art for purposes of responding to the outstanding Office Action, but reserve the right to swear behind one or more references at a later date. By focusing on specific references, claims and limitations, Applicants do not intend to

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imply an agreement with the Examiner's assertions with respect to other references, claims, and limitations.

As to Independent Claims 1 and 31

Independent Claim 1 requires "performing risk management assessments for parties on each side of said transaction." Independent Claim 31 requires "a risk management assessment system configured to (1) perform a risk assessment of parties on each side of said transaction."

With respect to Claims 1 and 31, none of the cited references discloses performing a risk management assessment for parties on each side of a two-sided transaction. Applicants, therefore, respectfully request that the rejection of Claims 1 and 31 be withdrawn.

As to the Dependent Claims

The Dependent Claims depend upon the Independent Claims discussed above and for at least the reasons set forth above, the Examiner's rejection of these claims should be withdrawn.

New Dependent Claims 45-55 recite additional patentable distinctions over the cited art. For example, Claim 45 recites "wherein the risk management assessment system is configured to perform a risk assessment of the seller" and Claim 53 recites "wherein the risk management assessment is performed of the payee."

CONCLUSION

In view of the foregoing remarks, Applicant submits that the application is in condition for allowance. If, however, issues remain which can potentially be resolved by telephone, the Examiner is invited to call the undersigned attorney of record at his direct dial number of (949) 721-6377.


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Please charge any additional fees, including any fees for additional extension of time, or credit overpayment to Deposit Account No. 11-1410.

Respectfully submitted,

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Dated: 3/21/02

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MARKED-UP VERSIONS SHOWING AMENDMENTS TO THE APPLICATION

In the Claims

29. (Amended) A method as in claim 22 wherein said payment authorization request is submitted to a third party not directly associated with said transaction.